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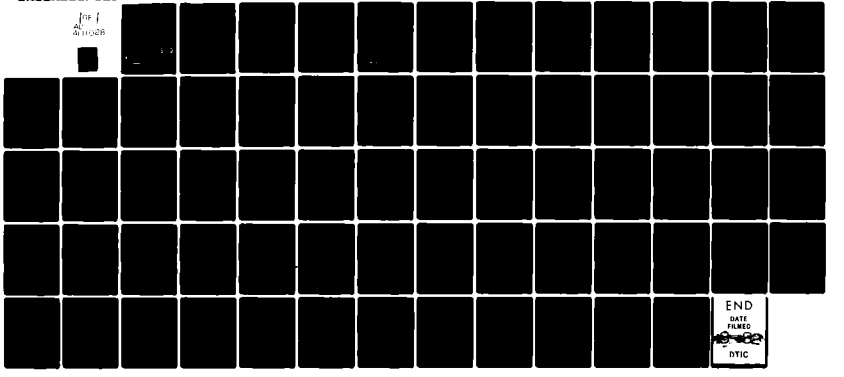

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A RAND NOTE

NEW SOURCES OF ACTIVE DUTY MILITARY PERSONNEL: THE PRIOR SERVICE ACCESSIONS POOL

Dennis De Tray

October 1981

N-1776-MRAL

Prepared For

Office of the Assistant Secretary of Defense/Manpower, Reserve Affairs and Logistics

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Considers an alternative source of military personnel: the pool of armed forces veterans who served regular tours of duty and who now work in the civilian sector. Section II sets out armed forces regulations governing prior service accessions. Section III examines current prior service accessions in some detail to judge whether this group should serve as a basis for further analysis. Section IV describes labor force characteristics of veterans, including geographic location and geographic mobility, personal characteristics, and distribution by civilian occupation. Section V looks at a major issue in prior service accessions, occupational differences in civilian and military earnings. The Note ends with a discussion of future work planned in this area. Although this research partially answers the question of why so few veterans reenlist, it does not tell manpower planners at what level prior service accessions ought to be. Future research will address this question. 52 pp. (LN)

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PREFACE

This Note was prepared as part of Rand's Manpower Mobilization & Readiness Program, sponsored by the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs & Logistics)--OASD(MRA&L). The study was carried out under Task Order No. 80-I-4, "AVF Supply: Prior Service Accessions." Prior service accessions are not now a major source of personnel to the active forces. However, as the pool of young men and women from which nonprior service accessions are traditionally drawn declines, pressure may build to increase the flow of veterans back into active duty. This Note is the first in a series of planned studies to assess the current and future role of veterans as a source of military manpower.

SUMMARY

The AVF has been attacked for its inability to attract sufficient numbers of new recruits, and for the quality of recruits that it does attract. One source of these personnel problems now and in the future may be the declining numbers of young men and women who make up the primary nonprior service enlistment pool. Birth rates fell rapidly in the 1960s and 1970s, ensuring a steady decrease in numbers of 18 to 20 year olds for the foreseeable future. Yet the military continues to rely on this age group as its major source of personnel. This Note explores an alternative source of military manpower--veterans currently at work in the civilian sector in jobs with close military counterparts.

Prior service accessions have to date played only a minor role in active duty military manpower procurement strategies. Fiscal 1979 saw fewer than 25,000 prior service accessions out of a total of 335,000 accessions. Regulations governing prior service accessions, reviewed in Section II, suggest that the armed forces have never actively sought prior service accessions. Veterans who reenlist will, at best, reenter the military at their previous separation pay grade. Those who remain in the civilian sector for any length of time (more than two years, for example) must accept a reduction of one to three pay grades to return to active duty. Veterans with breaks in service of greater than five years must retake basic combat training. If the armed forces were not sufficiently attractive to retain veterans at time of initial separation, then it is little wonder that those who leave seldom return.

Identifying individual characteristics and conditions that lead veterans to reenlist might provide a basis for new policies to increase prior service accessions. Section III looks at recent prior service accessions to assess whether they could serve as a basis for further analysis. The limited number of veterans who reenlist restricts further analysis, and the picture becomes even bleaker when we consider the makeup of those veterans.

More than half the veterans classified as prior service accessions fall into two categories: those with short breaks in service who have not settled into civilian life, and those who served less than standard terms of active duty. The first group--"unsettled" veterans in the terminology of this Note--cannot tell us about the propensities of "settled" veterans--those with breaks in service of two or more years--to return to active duty; the second group consists, for the most part, not of active duty veterans but rather of Selected Reservists who transfer to active duty. Selected Reservists with no active duty will not represent the same military experience levels as other veterans, nor can their behavior tell us about the behavior of active duty veterans.

The 1979 Current Population Survey (CPS) identifies more than 13 million men in the civilian labor force between ages 20 and 50 who claim veteran status. Veterans will, however, differ in their reenlistment propensities, and the military will find some veterans more attractive reenlistment prospects than others. Section IV profiles veterans' civilian characteristics as identified by the 1979 CPS. Disability status, education levels, geographic distribution, occupations, and employment status, among others will affect the military's demand for

veterans. Marital status, age, hours of work, unemployment status, and so forth may influence a veteran's propensity to reenlist. This profile paints a picture of a veteran population with diversified skills, labor force experience, and geographic location. The range of labor force characteristics found in the veteran population could serve military manpower planners well in meeting widely ranging manpower needs.

The CPS supplies a great deal of information on the veterans' civilian characteristics, but no information on prior military service. Yet, military manpower planners may want to discriminate among veterans on the basis of military as well as civilian experience. In order to profile military characteristics of veterans, we turn to the 1966-76 National Longitudinal Survey (NLS) of Young Men. The NLS contains fairly detailed information on veterans' military experiences for young men ages 24 through 34 in 1976. By combining information from the CPS and NLS files, manpower planners can estimate veteran pools by a variety of military and civilian characteristics and target recruitment efforts to groups that fill specific manpower shortages.

One finding of Section IV is that veterans are, for the most part, employed. This implies that military services must compete directly with civilian employers for veterans. As is well known, earning potential plays a key role in job change decisions. Section V sets out a preliminary analysis of earnings in selected occupations for military personnel and for veterans. About half the young veterans with short previous tours of duty who have only recently separated from the military earn less at their civilian job than they would if they returned to active duty. However, among veterans in their thirties with

significant military and civilian experience, only about one-fifth would earn more by returning to active duty. When one adds to this analysis differences in tastes for military and civilian life, one is tempted to ask not why so few veterans reenlist, but why so many do.

The Note ends with a discussion of future work planned in this area. Although this research partially answers the question of why so few veterans reenlist, it does not tell manpower planners at what level prior service accessions ought to be. Future research will address this question by estimating military personnel costs under two regimes: recruitment and training of young nonprior service accessions; and hiring trained, experienced veterans now at work in the civilian sector.

ACKNOWLEDGMENTS

Several Rand colleagues provided valuable assistance in the preparation of this Note. Barbara Felts was responsible for drawing together much of the material presented in Section II of this report. Carolyn Lee provided programming assistance for the statistics presented in Sections IV and V. Cheryl Cook, James Hosek, and Roberta Smith of Rand, and Dr. G. Thomas Sicilia, Office, Assistant Secretary of Defense, Research and Data, made useful comments and suggestions on earlier drafts. Robert Brandewie of the Defense Manpower Data Center supplied the computations discussed in Section III.

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I. INTRODUCTION

Projected declines in the population of 18 to 20 year olds bring into question a number of military manpower procurement policies. Principal among these are the All Volunteer Force's (AVF) continued reliance on young people just out of high school as its primary personnel pool, and the growing pressure to return to conscription as a means of manpower procurement. As the pool of 18 to 20 year olds declines,[1] those responsible for military personnel procurement will find AFV quotas increasingly difficult to fill. Should we return to a draft, this declining cohort will inevitably lead to higher draft levels and perhaps more draft resentment as an increasing fraction of young men and women involuntarily serve in the military.

This Note considers an alternative source of military personnel: the pool of armed forces veterans who served regular tours of duty and who now work in the civilian sector. This group has in its favor direct military experience, considerable training and job experience, and a much wider age range than the pool of first term enlistments. In 1979 there were nearly 18 million males in the civilian labor force who claimed veteran status.[2]

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[1] United States census estimates for 1980 find some 6.5 million young men between ages 18 and 20. Census projections for the year 2000 show that number shrinking by as much as 22 percent. By 2050, perhaps only 4 million young men may fall in the 18 to 20 age cohort, a 38 percent decline over the 1980 figure. Similar declines are projected for women ages 18 to 20. All figures are from Current Population Reports, Projections of the Population of the United States: 1977 to 2050, Series P-25, #704, July 1977.

[2] March 1979 Current Population Survey.

The fact that most veterans have experience in a civilian occupation has far reaching implications for manpower procurement strategies. Young people just out of high school who enter the military have at best limited labor force experience and training. When the military must train its new accessions, long enlistment periods will be required to insure a reasonable payback to training investments. As the military becomes technically more sophisticated, training periods will lengthen and so too will required enlistment periods. Longer required enlistment periods will decrease AVF volunteers and increase problems associated with post-training attrition.

In contrast, prior service accessions will often come to the military with skills in hand. Most will require only short periods of reorientation to military duties to bring them up to full operational capacity. Short training periods will allow shorter enlistment obligations without fear of lost training investments. Shorter enlistment periods (or more flexible enlistment agreements) will reduce the perceived risk associated with exploring the military as a career alternative and allow for a more fluid force management strategy.

There are two sides to the issue of prior service accessions--whom in the civilian sector might the armed forces attract back, and at what cost; and where in the military would prior service accessions be most useful in meeting manpower needs? This Note takes a preliminary look at the first set of issues by reviewing nature of prior service veterans now at work in the civilian sector. It then attempts an informal

analysis of who among veterans will find reenlistment in the active forces attractive.[3]

A veteran who voluntarily left the military did so because the armed forces could not compete with his perceptions of civilian life. If veterans return to the military, then either they misjudged the relative merits of military and civilian life or conditions changed in one or the other sector. In fact, very few veterans do return to active duty--less than 25,000 in FY 1979--and reasons are not difficult to come by.

If military life looked unattractive at the point of first attrition, military regulations almost assure that it will continue to do so. Veterans who remain in the civilian sector for any length of time must accept rank and pay penalties in order to reenlist. In many instances, these penalties mean that veterans would actually face a pay reduction in order to reenlist given the distribution of civilian earnings in skilled occupations.

Should the military want to attract more veterans, it would have to acquire some knowledge on ways to increase prior service accessions, and on characteristics of the target population. Information on current prior service accessions could identify characteristics and specific circumstances that promote reenlistments. The value of such an approach depends on the nature of current prior service accessions, which this Note evaluates as a basis for projecting future trends.

To match prior service recruits with military manpower needs, manpower planners must have a clear picture of both civilian and

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[3] This Note focuses on prospects for prior service accessions to the active forces. Future work will consider prior service accessions to both reserve units and the active forces.

military characteristics of veterans. No one data source can produce such a picture on the scale required by the military, so we must consider ways of merging information from several data sources. This Note explores information available in both large-scale data files such as the Current Population Surveys, and small-scale surveys such as the national Longitudinal Survey of Young Men. These sources, in concert with military backgrounds available from DoD files[4] can tell manpower planners where veterans live, what skills they have, who is and who is not mobile, and much more. Such information will allow a careful targeting of recruiting efforts on both veterans most likely to reenlist and veterans of greatest value to the military.

Much of the discussion in this Note applies only to a subset of prior service accessions. The armed forces, especially the Army, has two distinct personnel groups: (1) enlistees in technical and service areas whose skills and duties have parallels in the civilian sector and (2) combat arms personnel. In many instances, these two groups require separate and distinct management strategies. Although not always the case, the discussion herein concerns mainly technicians and service personnel, who make up an increasing fraction of today's armed forces.

The following section sets out armed forces regulations governing prior service accessions. Section III examines current prior service accessions in some detail to judge whether this group should serve as a basis for further analysis. Section IV describes labor force characteristics of veterans, including geographic location and

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[4] DoD's Defense Manpower Data Center records and archives complete histories of all military personnel.

geographic mobility, personal characteristics, and distribution by civilian occupation. Section V looks at a major issue in prior service accessions, occupational differences in civilian and military earnings, and Section VI provides a brief overview of future work planned in this area.

II. CURRENT REGULATIONS

In FY 1979, prior service personnel accounted for only 25,000 of the more than 335,000 accessions into the armed forces. This statistic reflects DoD policy toward prior service accessions. Military personnel managers pursue, at best, a neutral and sometimes a punitive course with respect to prior service accessions.[1] Little direct effort has been made to attract veterans back into the active forces, and regulations governing the reentry of veterans into active duty often explicitly discourage reenlistment.

The following discussion divides veterans into two groups: (1) those who recently left active duty and who have not yet settled in civilian life and (2) those who have been out of the military long enough to fully adjust to civilian life. For lack of better titles, these two groups will be referred to as "unsettled" and "settled" veterans.

The line between settled and unsettled veterans is not clearly drawn. Some veterans will leave the military, return to previous civilian jobs, and settle back into civilian life in very short order; others may take a year or more to readjust to life out of the military and to complete their search for a new job. But this distinction does highlight an important difference among potential prior service

[1] We are not concerned here with why the military pursues these policies, but only with the fact that they do. Usual reasons given for such policies are that they reduce attrition by raising the cost of leaving the armed forces, and that military-specific skills decline as veterans remain in the civilian sector. Neither reason holds up to close scrutiny for the armed forces.

enlistees. Unsettled veterans are, in a sense, testing the civilian waters. Their decision to return or not return to the military will be based mainly on the failure of civilian life to live up to expectations in the short term.

Veterans dissatisfied with civilian life will also be found in the settled group, but this group is more likely to gauge a return to the military on the basis of longer term considerations. If the distinction between settled and unsettled veterans has merit, then we must treat these two groups as separate pools of potential accessions. And, as the following discussion indicates, those responsible for military personnel procurement certainly act as if the two groups are separate and distinct.

Basic eligibility requirements for prior service accessions differ from those for nonprior service accessions mainly in two areas: age requirements and education plus training requirements. Table 1 documents these differences. Nonprior service accessions must be between the ages of 17 and 35. Prior service accessions may exceed the 35 year age limit if they have three years of service, and if their age does not exceed 35 plus their years of service. In contrast, education requirements are more strict for prior service than for first term enlistees.

Training or retraining requirements for prior service accessions depend on two factors: whether veterans reenter their old military occupational specialty (MOS), and their last active duty rank and pay grade. Veterans who left the services as an E-5 (skill level 2 or higher) must return to their previous MOS if that MOS is not

Table 1

SERVICE COMPARISONS BETWEEN FIRST TERM AND PRIOR SERVICE OF AGE AND EDUCATION REQUIREMENTS

Classification	Nonprior Service	Prior Service
Age		
	17-35 (no waivers)	17-35 or 35-55 if have min. of 3 yrs service less than 35 yrs old plus no. of yrs served (no waivers)
Education		
	HSG I-IVB GED I-IIIB[a] NHSG I-IIIB HS Sr I-IVB	HSG I-IIIB and 3 aptitude GED area scores of 90 HS Sr. or higher

SOURCE: Army Regulation 601-210. The other Services have comparable entry requirements.

[a]Can be IVB if older than 17.

overstrength. No advanced individual training is required, and prior service enlistees proceed directly from reception station to assignment so long as five or fewer years have elapsed since the last period of active duty. If more than five years have elapsed, prior service accessions must repeat basic combat training.

Veterans who left active duty as E-5s or above and who want to enlist in other than their previous MOS are treated in much the same fashion as first term enlistees with one exception. Civilian-acquired skills may make them eligible for a lateral entry option. In this case no advanced individual training is required, but the five year rule for

basic training still applies. Veterans who left active duty in pay grade E-4 or below and who are not eligible for a lateral entry option may select training in any MOS for which they are qualified.

The before and after five year distinction exemplifies current military manpower policy toward veterans. Settled veterans in their 30s may not consider a return to the armed forces if they must take basic combat training again. And the value of repeating such training for prior service accessions who would serve technical and support areas is questionable. This and several other reenlistment requirements (see below) suggest that DoD has not designed manpower policies to attract prior service accessions from settled veterans.

Among the most important regulations governing prior service accessions are those establishing the returning veteran's pay grade. In general, the longer a veteran remains in civilian life, the lower will be his or her pay grade on reenlistment. The severity of this length-of-separation penalty depends on pay grade at separation and on length of prior service. For example, veterans who left the military in pay grades E-1 through E-6 with six or fewer years of active duty may reenlist within 24 months of separation at their separation pay grade; E-1s through E-6s with seven to ten years of service may not reenlist within three months of separation and must accept a reduction of one pay grade to reenlist from three to 30 months after separation. Veterans separated from active duty for more than 30 months must accept a reentry pay grade two levels below their separation pay grade. Those separated more than 36 months must accept a reduction of three pay grades. Table 2 summarizes pay grade regulations for prior service accessions.

Table 2

REENLISTMENT PAY GRADES FOR PRIOR SERVICE ACCESSIONS
ARMY

Pay Grade in Which Separated	Length of Separation (months)	Reentry Pay Grade[a]
E-1 to E-6 (6 years of service or less)	≤24	Same as separation pay grade
	25-30	1 pay grade lower than separation pay grade
	31-36	2 pay grades lower than separation pay grade
	>36	3 pay grades lower than separation pay grade
E-1 to E-6 (7-10 years of service)	≤3	Not allowed
	4-30	1 pay grade lower than separation pay grade
	31-36	2 pay grades lower than separation pay grade
	>36	3 pay grades lower than separation pay grade
E-7 and above; and E-6 and below with 10 years of service or more	≤3	Not allowed
	>3	As determined by Cdr USAEEA, but at least one pay grade lower than separation pay grade

SOURCE: Army Regulation 601-210, Table 2-6, p. 2-11. These guidelines apply to the Army specifically, but the same trend of lowering reentry pay grades with increased length of separation is found in the other Services.

[a]Reentry paygrade is never lower than E-2 unless separation pay grade was E-1.

Regulations governing prior service penalize older and more experienced veterans. The armed forces apparently view prior service accessions as a matter of recapturing soldiers who have temporarily left the services as quickly as possible after their initial separation. One purpose of this Note, especially sections IV and V, is to argue for an expansion of this view to encompass a wider range of potential prior service accessions.

III. PRIOR SERVICE ACCESSIONS, PAST AND PRESENT

Understanding why recent prior service accessions returned to active duty could provide direction for policies aimed at increasing future prior service accessions. This section looks at the makeup of current prior service accessions to determine whether such an analysis would be fruitful.

There have not been large numbers of prior service accessions to the active forces in recent times. In FY 1978, 20,058 veterans reenlisted; for FY 1979, this figure rose to 24,671.[1] Total accessions figures were 326,506 for FY 1978 and 335,127 for FY 1979. Table 3 breaks down the 1979 figure by service and education level.[2]

The bulk of prior service accessions enter either the Army or Navy--Air Force and Marine accessions taken together account for less than 20 percent of the total. Somewhat surprisingly, the breakdown of accessions by education levels shows a large fraction of both Navy and Marine prior service accessions as not having completed high school. Yet neither of these branches is known for accepting below average first term recruits. In contrast, the service with the highest fraction of nonhigh school graduates--the Army--shows few prior service inductions

[1] Unless otherwise indicated, all numbers quoted in this section were derived from manpower files at the Defense Manpower Data Center (DMDC).

[2] The stories told by FY 1978 and FY 1979 figures are very similar, and as the subsequent analysis of veterans in the civilian sector is for either FY or calendar 1979, this section will also emphasize FY 1979 figures.

Table 3

FY1979 PRIOR SERVICE ACCESSIONS

	Non-HS		GED		HSDG		Unknown		Total	
Service	N	%	N	%	N	%	N	%	N	%
Army	90	0.7	3055	24.6	9230	74.4	32	0.3	12407	[illegible]
Navy	929	12.6	1175	15.9	5235	71.0	33	0.4	7372	[illegible]
Marines	384	17.1	219	10.7	1432	70.2	40	2.0	2059	[illegible]
Air Force[a]	60	2.1	224	7.9	2546	89.2	23	0.8	2853	[illegible]
DoD Total	1427	5.8	4673	18.9	18443	74.8	128	0.5	24671	[illegible]

SOURCE: Automated personnel files of accessions and examinations submitted to the Defense Manpower Data Center by the Military Enlistment Processing Command.

[a]Air Force numbers contain 1200-1300 individuals not classified as prior service gains by the Air Force. This number includes officer candidates and gains from the Reserves with less than six months of continuous active duty.

without a high school degree or equivalent. This anomaly will be resolved when we take a closer look at the service backgrounds of prior service accessions.

Prior service accessions are a small fraction not only of all accessions but also of the pool of eligible veterans. If the eligible pool consists of all male veterans[3] in the civilian labor force between the ages of 20 and 39, the 1979 Current Population Survey puts the size of that pool at about 8.5 million. FY 1979 prior service accessions were less than one half of one percent of this potential pool.

[3] I concentrate on male veterans because female veterans remain a small, if growing, fraction of all veterans.

The pool of veterans aged 20 to 39 in the civilian labor force is not the broadest sensible definition of the eligible prior service pool. In general, however, military manpower planners use a narrower working definition. A definition of the eligible pool consistent with current DoD policy would restrict eligibility to those who (1) have been separated from active duty three years or less, (2) received satisfactory performance ratings during their previous tour, and (3) had not already returned to active duty or joined a reserve unit.

Tables 4 and 5 classify veterans by service branch, separation date, race, and education level for this narrower definition of the eligible prior service pool.[4] These tables show an eligible pool under the restricted definition of about one half million veterans. Most of these veterans were high school graduates (86 percent), white (85 percent), and served in the Army (42 percent). Peak separations occurred in FY 1979 and exceeded FY 1978 separations by about 40 percent.

As Table 6 indicates, DoD prior service accessions in FY 1979 were 5 percent of the restricted pool. Interpreting this number is not straightforward, however, because both the denominator and the numerator suffer from problems of definition. Prior service accessions (the numerator) and the eligible pool (the denominator) exclude veterans who reenlisted before FY 1979; adding these accessions back into numerator and denominator would increase the percentage accessions figure for separations between FY 1977 and FY 1979. The numerator, FY 1979

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[4] Differences in totals for the two tables result from missing information on variables used in Table 5.

Table 4

PRIMARY PRIOR SERVICE POOL, FY 1979:[a]
SERVICE BY YEAR OF SEPARATION
(In thousands)

Service	FY77	FY78	FY79	Total
Army	69	55	82	205
Navy	39	35	44	118
Marines	20	19	28	67
Air Force	37	28	37	102
DoD Total	164	137	191	491

SOURCE: Inventory and loss files submitted by Service Personnel Centers and maintained by the Defense Manpower Data Center.

[a]Defined as separations during the preceding three fiscal years who showed satisfactory levels of performance and who had neither returned to active duty nor joined a Selected Reserve unit before FY 1979.

Table 5

PRIMARY PRIOR SERVICE POOL,[a] FY 1979
(Race by education level by year of separation)
(In thousands)

	White		Black		Other		Total	
Education	N	%	N	%	N	%	N	%
FY77								
<HSG	21	81.1	5	17.6	<1	1.4	26	100.0
HSG	107	86.4	15	12.1	2	1.5	124	100.0
Some college	9	87.0	1	10.8	<1	2.2	10	100.0
College grad	2	86.7	<1	8.6	<1	4.7	3	100.0
Total	140	85.6	21	12.8	3	1.6	163	100.0
FY78								
<HSG	15	82.9	3	15.8	<1	1.3	18	100.0
HSG	93	86.2	13	12.0	2	1.8	108	100.0
Some college	8	85.8	1	11.8	<1	2.4	9	100.0
College grad	2	82.9	<1	11.0	<1	6.0	3	100.0
Total	117	85.7	17	12.5	3	1.8	137	100.0
FY79								
<HSG	19	80.3	4	17.3	<1	2.4	24	100.0
HSG	127	84.0	21	13.8	3	2.2	151	100.0
Some college	10	84.5	2	12.5	<1	3.0	12	100.0
College grad	3	79.5	<1	12.6	<1	7.9	3	100.0
Total	159	83.5	27	14.2	4	2.3	191	100.0
Three Year Total								
<HSG	55	81.3	12	17.0	1	1.7	68	100.0
HSG	327	85.4	49	12.8	7	1.8	383	100.0
Some college	28	85.7	4	11.7	<1	2.6	32	100.0
College grad	7	82.8	<1	10.9	<1	6.3	8	100.0
Total	417	84.8	65	13.3	10	2.0	491	100.0

SOURCE: Inventory and loss files submitted by Service Personnel Centers and maintained by the Defense Manpower Data Center.

[a]Defined as separations during the preceding three fiscal years who showed satisfactory levels of performance and who had neither returned to active duty nor joined a Selected Reserve unit before FY1979.

Table 6

PRIOR SERVICE ACCESSIONS:
PERCENT OF THE PRIMARY PRIOR SERVICE POOL
(In thousands)

Race	FY79 Prior Service Accessions	Primary Prior Service Recruiting Pool	Percent Accessions
White	18	417	4.3
Black	6	65	8.9
Other	<1	10	9.7
Total	25	491	5.0

SOURCE: MEPCOM Accession files as submitted to the Defense Manpower Data Center, and Service submitted Loss Files.

accessions, also ignores accessions that will occur in FY 1980 and later. On average, prior service accessions reenlist approximately one year after initial separation, so many of those who will eventually return to active duty from the large FY 1979 separation cohort will not have done so in FY 1979.[5]

If we set aside these definitional issues, the 5 percent figure could serve as the basis for further analysis of prior service accessions. However, a closer look at the nature of the 25,000 FY 1979 accessions shows that the research base may, in fact, be much smaller than that implied by the 5 percent figure.

To this point, "prior service" was defined as any previous military service. But if we are to learn something about the reenlistment propensity of the majority of veterans, we must distinguish between

[5] These problems argue for a cohort approach to analyzing prior service accessions. Work is now underway to develop such an approach.

veterans who have briefly interrupted their military careers for a short sojourn into the civilian sector and those who have "permanently" returned to civilian life--the "unsettled" versus "settled" distinction of Sec. II. We will also want to concentrate on veterans with substantial amounts of military experience, as distinguished from those with only limited military experience.

Table 7 disaggregates FY 1978 prior service accessions by months since separation from active duty (break in service). As one might expect from the regulations governing reentry, most veterans who reenlist in the active forces do so within three years of their separation date (74 percent); over 60 percent do so within their first two years as civilians. So, not many of the already small number of prior service accessions qualify as settled veterans, and cannot expect to learn much about conditions that promote settled veteran reenlistments.

Table 7

BREAK IN SERVICE FOR PRIOR SERVICE ACCESSIONS

		Length of Separation						
Service[a]	No Match	0-3	4-6	7-24	25-30	31-36	37+	Total
Army	5228	558	758	3008	436	435	1984	7179
Navy	2238	619	505	2001	278	332	1199	5134
Marines	797	255	166	460	59	75	227	1242
Air Force[b]	1165	9	135	823	49	112	560	1688
Total	9428	1641	1564	6292	822	954	3970	15243

[a]Prior service accessions with no active duty match.

[b]Air Force numbers are MEPCOM estimates. See (a), Table 3.

Table 8 records military experience profiles for prior service accessions. Nearly 40 percent of the FY 1979 prior service accessions could not be matched with previous active duty registers. Coding errors will account for some of these, but the vast majority are "veterans" with no active duty. About the only group who would qualify for this classification are Selected Reservists who have never served in an active unit.

Table 9 confirms Table 8's findings. For three of the four major service branches, Selective Reservists account for about one third of FY 1979 prior service accessions to active duty. Some Reservists will have been on active duty in the past, but for many the Reserves represent their only prior military experience.

Although these data cannot confirm it, differences in admissions standards for active and reserve duty may explain the high incidence of Selected Reservists among prior service accessions. Young men may enter

Table 8

YEARS OF SERVICE BY PRIOR SERVICE ACCESSIONS

		Months of Active Duty					
Service[a]	No Match	1-6	7-23	24-36	37-48	49+	Total
Army	5228	680	478	3395	1222	1404	12407
Navy	2238	89	258	1095	1769	1923	7372
Marines	797	84	59	242	359	498	2039
Air Force[b]	1165	166	27	75	430	990	2853
Total	9428	1019	822	4807	3780	4815	24671

[a]Prior service accessions with no active duty match.

[b]Air Force numbers are MEPCOM estimates. See (a), Table 3.

Table 9

RESERVE STATUS OF FY1979 PRIOR SERVICE ACCESSIONS
(Percent)

Service	Reserve Status		
	Selected Reserves	Ready Reserves	None
Army	36.7	21.5	41.9
Navy	16.2	24.0	59.8
Marines	31.8	20.8	47.3
Air Force[a]	38.6	18.2	43.2
DoD	30.5	21.6	47.9

SOURCE: Match of Accession file submitted by the Military Enlistment Processing Command with the Reserve Common Components Personnel Data System.

[a]Air Force numbers include accessions from the Reserves not classified as prior service by the Air Force but classified as prior service by MEPCOM.

the Selected Reserves at a younger age and with less education than they can enter the active forces. Once in the reserves, the road to active duty is clear and short.

The predominance of reservists and veterans with short service breaks among prior service accessions limits what we can learn from those accessions. The figures given above indicate that about half of the 25,000 accessions for FY 1979 were either without previous active duty experience or were unsettled veterans. Neither of these groups will tell us much about reenlistment propensities of settled veterans.

If we cannot learn about the future from the present, we can make intelligent guesses about future propensities from other sources. The

next section sets out an inventory of veterans' civilian characteristics as a basis for evaluating the match between veterans' characteristics and military manpower needs. This information also identifies veterans who are most likely to reenlist in the armed forces.

IV. CHARACTERISTICS OF VETERANS

Slightly more than 23.5 million men ages 20 through 55 classified themselves as veterans in 1979.[1] This section reviews personal, locational, and work characteristics of veterans to illustrate the types of information available on the prior service enlistment pool.

No one data source provides a complete picture of the prior service pool. This section blends information from two sources--the March Supplement of the 1979 Current Population Survey (CPS) and the 1966-1976 National Longitudinal Survey of Young Men (NLS). The CPS, based on a sample of 65,000 households, provides a broad, up-to-date view of the U.S. civilian population, allowing a detailed analysis of nonmilitary characteristics of that population. In comparison, the NLS sampled only 3662 individuals in its final year of administration (1976), about one third of whom were veterans. The NLS does, however, contain information on military service characteristics for those sampled which provides a link between civilian and military characteristics.

CIVILIAN CHARACTERISTICS

DoD manpower planners will not view all veterans as equally desirable reenlistment prospects, just as veterans will differ in their views of the military as a prospective employer. Table 10 offers a first look at the 1979 veteran pool. Characteristics listed are those that might reasonably be thought to influence either the veteran's acceptability to the armed forces, or the armed forces' acceptability to

[1] 1979 Current Population Survey.

a veteran.[2] In the table, the probability of a match between military needs and entry requirements and a veteran's willingness to reenter the active forces rises as one moves down major headings.

The table's first panel removes from the eligible pool veterans not likely to be acceptable to the military. Veterans with a work-related disability may not meet the military's physical standards. Age restrictions also affect eligibility. However, there is no absolute upper age limit, so all males between the ages of 20 and 60 are included in this and the tables that follow.

The second panel limits eligible veterans to those in the labor force--actually working or looking for work. The third part removes from the eligible pool veterans who may be less likely than average to find the military an attractive alternative to civilian employment. Self-employed individuals and farmers will have stronger than average financial and business ties to communities and areas. These ties may restrict movement both geographically and between industries. These exclusions leave salaried employees as the primary prior service accessions pool.

The fifth line of Table 10 shows the number of high school graduates in each age group. The military requires prior service accessions to hold a high school diploma or equivalent, so high school graduates with no work-related disability who are in the labor force and

[2] This and all subsequent CPS tables are population estimates based on sampling weights used in the March 1979 CPS. Sampling weights differed for regions and groups, but, on average, each veteran in the survey represented about 1400 individuals. Population estimates below 14,000 to 20,000 should be interpreted with caution as they will generally be based on between 10 and 15 observations.

Table 10

NUMBERS OF VETERANS BY AGE AND WORK CHARACTERISTICS
(In thousands)

	Age Group						
Classification[a]	20-23	24-29	30-34	35-39	40-49	50-60	Total
Not disabled							
White	418	1957	3018	2398	5544	8097	21432
Black	98	232	246	199	462	587	1824
Other	9	27	42	18	50	60	206
Subtotal[b]	525	2217	3307	2615	6057	8745	23462
+In labor force							
White	348	1764	2875	2259	5158	6805	19209
Black	79	191	225	173	405	400	1473
Other	7	25	36	16	46	54	184
Subtotal[b]	434	1980	3135	2450	5608	7259	20866
+Not farm or self-employed							
White	338	1617	2501	1895	4189	5505	16045
Black	79	186	211	169	382	373	1400
Other	7	24	28	12	38	48	157
Subtotal[b]	424	1827	2740	2076	4609	5926	17602
+High school graduate							
White	278	1422	2311	1701	3449	3931	13092
Black	58	156	198	148	266	174	1000
Other	5	23	26	12	36	30	132
Subtotal[b]	342	1600	2534	1860	3751	4135	14224
Total[b]	1725	7624	11716	9001	20025	26065	76154

SOURCE: March 1979 Current Population Survey.

[a]Each major classification is a subgroup of the preceding classification.

[b]May not add because of rounding.

who are neither farmers nor self-employed form the primary prior service accessions pool.[3]

[3] The tables that follow use as their base veterans in the labor force who are not disabled, self employed, or farmers.

The CPS gives detailed information on the location of veterans by region, state, and central city or noncentral city designations, among others. However, sample size, and thus variance in population estimates, becomes a problem for small geographic breakdowns. Table 11 shows the wide geographic dispersion of veterans by region, suggesting that careful manpower planning could minimize relocation expenses and problems.

Personal characteristics of veterans will affect prior service enlistment policies in two ways. Some characteristics will influence veterans' propensities to reenlist, and others will influence types of assignments veterans find attractive. Tables 12 through 14 present the distribution of veterans by three important personal characteristics: marital status, educational attainment, and previous geographic mobility.

Based on current characteristics of military service, veterans without families may find a return to active duty less disruptive than veterans with families. Further, the marital status of returning veterans will influence projected costs of supporting prior service enlistees. It comes as no surprise that Table 12 shows the majority of veterans as married, but a substantial number are single, widowed, divorced or separated. Veterans without family responsibilities may be more likely than average to return to active duty.[4]

[4] Whether manpower planners should actively seek out veterans without families is another question. Many studies show that single individuals are often less stable than married individuals, and stability is an important asset to career force management.

Table 11

VETERAN DISPERSION BY AGE, REGION AND RACE[a]
(In thousands)

Race and Age	Northeast	North Central	South	West	Total
White					
20-23	88	108	104	107	407
24-29	322	561	535	375	1793
30-34	568	694	809	556	2627
35-39	474	516	593	424	2007
40-49	1097	1162	1365	896	4520
50-60	1757	1769	2003	1185	6714
Black					
20-23	13	14	47	24	98
24-29	25	44	142	13	224
30-34	42	62	112	19	235
35-39	46	53	66	23	188
40-49	70	141	177	51	439
50-60	137	97	272	49	555
Other					
20-23	0	3	2	6	11
24-29	2	2	6	15	25
30-34	2	10	5	17	34
35-39	2	3	3	7	15
40-49	2	3	4	31	40
50-60	3	14	6	31	54
Total	4650	5256	6251	3829	19986

SOURCE: March 1979 Current Population Survey.

[a]Based on primary prior service pool as defined in Table 4.

Table 12

MARITAL STATUS BY AGE AND RACE
(In thousands)

Classification	Age Group 20-24	25-29	30-34	35-39	40-49	50-60	Total
White							
Never married	219	598	321	123	253	297	1611
Currently married	101	1220	2050	1678	3875	5796	14780
Widowed divorced	16	141	296	169	310	550	1366
Separated	11	34	57	36	82	90	310
Black							
Never married	74	66	42	17	50	44	293
Currently married	19	110	145	137	283	336	1030
Widowed divorced	3	20	27	25	80	116	271
Separated	2	28	24	8	25	59	142
Other							
Never married	3	9	5	1	5	5	28
Currently married	4	16	21	12	33	45	131
Widowed/divorced	9	0	3	2	3	5	22
Separated	0	0	3	0	0	1	4
Total	521	2042	2894	2208	4999	7324	19988

SOURCE: March 1979 Current Population Survey.

Educational attainment is a crude but important measure of labor quality. Table 13 distributes veterans into four education groups--less than high school, high school graduates, some college, and college graduates--as an indication of veteran workforce quality. Military manpower skill requirements vary considerably, but the trend is toward an increasingly technical and complex national defense system. Most veterans are high school graduates, and many have at least some college which speaks well for this group's ability to adapt to these changes.

Table 13

EDUCATIONAL ATTAINMENT BY AGE AND RACE
(In thousands)

Education	Age Group						
	20-23	24-29	30-34	35-39	40-49	50-60	Total
White							
Less than high school	75	217	207	211	848	2100	3658
High school graduate	212	701	923	821	1711	2328	6696
Some college	109	676	826	527	873	1108	4119
College graduate	10	199	672	448	1088	1178	3595
Black							
Less than high school	25	44	14	24	134	323	564
High school graduate	53	110	110	65	187	144	669
Some college	20	54	76	72	80	62	364
College graduate	0	16	35	27	38	26	142
Other							
Less than high school	2	1	2	1	3	21	30
High school graduate	5	4	12	5	16	15	57
Some college	2	18	15	4	11	4	54
College graduate	0	1	5	4	11	14	35
Total	513	2041	2897	2209	5000	7323	19983

SOURCE: March 1979 Current Population Survey.

Table 14

GEOGRAPHIC MOBILITY BY AGE AND RACE
(In thousands)

	Age Group						
Classification	20-23	24-29	30-34	35-39	40-49	50-60	Total
White							
Non-mover	82	356	887	984	3063	5220	10592
Same county	132	658	966	574	807	817	3954
Same state	51	341	384	229	318	314	1637
Different state	109	343	366	207	306	388	1719
From abroad	32	94	24	13	26	25	214
Black							
Non-mover	31	52	97	102	294	376	952
Same county	31	83	98	59	90	128	489
Same state	9	28	16	11	20	36	120
Different state	19	49	22	15	32	16	153
From abroad	8	13	1	2	4	0	28
Other							
Non-mover	1	6	6	5	27	32	77
Same county	1	10	22	4	6	15	58
Same state	0	2	1	2	4	0	9
Different state	7	5	4	2	4	5	27
From abroad	0	3	0	2	0	1	6
Total	513	2043	2894	2211	5001	7373	20035

SOURCE: March 1979 Current Population Survey.

Veterans who reenlist in the armed forces often face relocation to different parts of the country, or even overseas. Table 14 is an attempt to judge whether relocation will deter reenlistment. As is true for Americans in general, veterans are a mobile lot, with peak mobility occurring in the primary labor force ages of 24 to 39.[5] So the

deterrent effect of some relocation upon reenlistment should not be large. However, existing manpower management practices produce military relocation rates that greatly exceed civilian sector rates. If the armed forces does turn more heavily to veterans for personnel needs, current rotation practices may have to be rethought.

A comparison of employment status for different age groups illustrates another dimension. Table 15 confirms that most veterans are employed. If the military wants to increase prior service accessions to the active forces by any substantial amount, it must do so through direct competition with civilian employers.

Although the armed forces require a broad range of occupational skills, the distribution of labor demand by military occupations may not match the distribution of civilian labor by occupations. Table 16 shows numbers of veterans in each of 13 broad civilian occupational categories, and by four education groups.[6] The occupational distribution of high school graduates is numerically the most important of the four education categories and likely to be of greatest interest to DoD manpower planners.

The proportion of individuals in that market who work less than full time measures one aspect of labor market tightness or slackness. The Census uses 35 hours per week to distinguish part time and full time work. Table 17 presents numbers of veterans by race, educational

[5] The "from abroad" migration figures should be interpreted with caution as an unknown fraction of that migration could have arisen from moves while veterans were still on active duty. This fact may well account for the high proportion of moves from abroad in the two youngest age groups.

[6] The CPS does provide finer occupational breakdowns (three digit occupational codes), but sample size becomes a serious problem for most occupations below the two digit level.

Table 15

EMPLOYMENT STATUS BY AGE AND RACE
(In thousands)

	Age Group						
Classification	20-23	24-29	30-34	35-39	40-49	50-60	Total
White							
Working	299	1582	2461	1911	4177	5510	15940
Looking for work	68	110	96	49	127	180	630
In school	17	56	17	2	14	3	109
Other	22	44	53	45	202	1021	1387
Black							
Working	60	152	198	168	384	364	1326
Looking for work	30	54	16	17	15	24	156
In school	4	17	4	0	0	2	27
Other	5	2	17	3	40	165	232
Other							
Working	5	24	30	12	39	47	157
Looking for work	4	1	0	0	0	1	6
In school	0	1	0	0	0	0	1
Other	0	0	4	2	1	7	14
Total	514	2043	2896	2209	4999	7324	19985

SOURCE: March 1979 Current Population Survey.

Table 16

OCCUPATIONAL DISTRIBUTION BY AGE AND EDUCATION
(In thousands)

Occupation	Age Group					
	20-23	24-29	30-34	35-39	40-49	50-60
Less than high school						
Professional/technical	0	6	0	8	22	49
Managers & adm. (non-farm)	0	10	9	14	63	136
Clerical	1	2	2	9	16	41
Sales	5	8	10	9	35	102
Craftsmen	14	69	61	67	310	623
Operatives (non-transport)	34	57	53	50	175	343
Transport equip. operatives	16	42	44	40	114	237
Non-farm laborers	14	24	21	12	89	159
Private household	0	0	0	0	1	4
All other services	8	13	9	16	76	196
Farmers & farm managers	0	0	0	0	0	3
Farm laborers & foremen	0	6	5	4	4	34
Not elsewhere classified	10	24	10	8	81	518
High school graduate						
Professional/technical	7	42	49	61	98	111
Managers & adm. (non-farm)	7	54	75	87	254	356
Clerical	13	16	27	52	71	128
Sales	14	48	64	37	170	254
Craftsmen	72	230	351	285	600	686
Operatives (non-transport)	43	179	199	146	219	234
Transport equip. operatives	18	63	91	91	168	92
Non-farm laborers	43	73	70	59	77	89
Private household	0	0	0	0	0	0
All other services	40	79	84	50	181	203
Farmers & farm managers	0	0	0	0	2	3
Farm laborers & foremen	3	7	2	3	4	8
Not elsewhere classified	12	25	32	15	71	322

Table 16--continued

Occupation	Age Group 20-23	24-29	30-34	35-39	40-49	50-60
Some college						
Professional/technical	7	93	137	88	172	197
Managers & adm. (non-farm)	4	49	136	104	193	280
Clerical	9	50	69	41	81	101
Sales	13	61	86	50	95	101
Craftsmen	26	204	228	146	216	199
Operatives (non-transport)	13	88	89	49	48	63
Transport equip. operatives	6	34	41	24	29	29
Non-farm laborers	13	45	34	27	23	12
Private household	0	0	0	0	0	0
All other services	11	85	62	61	65	64
Farmers & farm managers	0	1	2	0	0	0
Farm laborers & foremen	0	4	4	0	3	0
Not elsewhere classified	27	33	29	14	38	128
College graduate						
Professional/technical	5	99	329	221	540	540
Managers & adm. (non-farm)	0	29	156	126	358	379
Clerical	0	22	70	39	97	95
Sales	0	21	55	20	44	56
Craftsmen	3	9	52	15	25	27
Operatives (non-transport)	0	0	11	8	7	10
Transport equip. operatives	0	4	9	4	7	5
Non-farm laborers	0	4	1	3	4	2
Private household	0	0	0	0	6	0
All other services	0	11	20	32	21	23
Farmers & farm managers	0	0	2	4	2	1
Farm laborers & foremen	0	0	0	0	3	1
Not elsewhere classified	2	16	5	9	30	79

SOURCE: March 1979 Current Population Survey.

attainment, and broad occupational categories who have worked less than 35 hours in the week before the March 1979 CPS survey. Not all workers in the less than 35 hour category want to work more hours, part time workers are more likely to look favorably on an alternative job than for full time workers.

Table 17

NUMBER OF VETERANS WORKING LESS THAN 35 HOURS
(In thousands)

Classification	Age Group					
	20-23	24-29	30-34	35-39	40-49	50-60
Race						
White	175	423	406	327	774	1876
Black	55	93	55	38	110	252
Other	4	6	6	4	4	13
Education						
Less than high school	60	91	65	42	252	938
High school graduate	114	183	187	140	329	690
Some college	56	199	135	122	163	276
College graduate	5	49	82	64	144	236
Occupation						
Professional/technical	6	44	57	60	85	132
Managers & adm. (non-farm)	3	13	30	41	75	148
Clerical	6	16	19	15	39	59
Sales	14	23	37	16	51	92
Craftsmen	29	110	83	76	176	238
Operatives (non-transport)	35	73	60	33	57	115
Transport equip. operatives	18	32	44	14	75	92
Non-farm laborers	31	47	28	30	56	90
Private household	0	0	0	0	0	1
All other service	39	60	25	34	46	110
Farmers & farm managers	0	0	2	0	1	2
Farm laborers & foremen	2	8	6	2	7	16
Not elsewhere classified	50	96	76	46	220	1046

SOURCE: March 1979 Current Population Survey.

MILITARY CHARACTERISTICS

All Veterans

The Current Population Survey contains an up-to-date picture of civilian labor force characteristics of veterans. However, the CPS lacks information on military characteristics of veterans, which weakens its effectiveness as a basis for military manpower studies. Not all prior service accessions will return to their previous branch of military service, but most will. Information on previous service branch, previous military occupational specialty, length of service, and so forth is therefore important in assessing the match between potential prior service accessions and armed forces personnel requirements.

One recent source of information on military and civilian veteran characteristics is the 1966-76 National Longitudinal Survey of Young Men. Of the 5225 respondents who were interviewed in 1966, some 3662 were interviewed for the 1976 sample. Slightly over one third of the 1976 respondents were veterans. However, this understates the true proportion because respondents on active duty in 1976 interview were not included in the veterans count. The following tables describe salient characteristics of veterans in the NLS sample. Depending on the degree of disaggregation required, the NLS data, in conjunction with information from CPS files, could allow manpower planners to estimate the size of veteran pools by a variety of civilian and military characteristics.

Table 18 illustrates service periods for black and white veterans in the NLS sample. Important reference points are: pre-1966, a time of

modest U.S. involvement in Vietnam; 1966 through 1969, a time of very rapid troop buildup; and 1971, dat of the last draft call. As the table shows, more than three quarters of the veterans in this sample left their services before 1972, so the NLS sample will capture characteristics mainly of pre-AVF veterans.

Although the NLS does not contain information on type of previous military service (whether active duty or reserves, for example) or type of discharge, short terms of service will be associated either with reserve duty or with an abnormal end to active duty. Reservists and those who did not complete their first term of duty either through their own or the military's volition will not be high probability prospects for reenlistment. Table 19 indicates that nearly 40 percent of the NLS

Table 18

YEAR SEPARATED FROM SERVICE
(In thousands)

	White		Black	
Year	24-29	30-34	24-29	30-34
Before 1966	(a)	560	(a)	32
1966 - 1969	356	455	42	28
1970 - 1972	1371	288	126	(a)
1973	234	(a)	31	(a)
1974	190	(a)	(a)	(a)
1975	108	(a)	16	(a)
1976	63	(a)	(a)	(a)

SOURCE: 1976 National Longitudinal Survey of Young Men.

[a]Based on 10 or fewer cases.

sample served less than 24 months and thus either were in the reserves or terminated their military careers prematurely.

The modal value for length of service is, as might be expected, 24 months, but observations are distributed fairly evenly across all the length-of-service categories. Veterans who completed regular tours of duty in the active forces are likely to be a primary target for additional prior service accessions. For this reason, the tables that follow Table 19 restrict the sample to veterans with 24 or more months of military service.

Services differ in both skill and entrance requirements, so previous branch of service will influence military perceptions of veterans as a source of manpower. Table 20 shows that about half of the

Table 19

LENGTH OF SERVICE
(In thousands)

	White		Black	
Months Served	24-29	30-34	24-29	30-34
0-6	534	492	23	(a)
7-19	324	145	55	(a)
20-23	288	107	24	(a)
24	422	267	79	48
25-35	153	122	21	(a)
36	192	233	33	23
37-47	272	188	18	(a)
48	317	124	21	(a)
49+	100	115	19	(a)

SOURCE: 1976 National Longitudinal Survey of Young Men.

[a]Based on 10 or fewer cases.

NLS veterans served in the Army, followed in descending order of size by the Navy, Air Force, and Marines. Thus veterans' proportional representation in the civilian population closely matches relative manpower needs by service branch. This is an advantage of the prior service pool so long as services prefer their own kind when pursuing veteran reenlistments.

The military does not select young men by chance from the population of all young men. Some who enter the services do so voluntarily; some do so, or at least did so, under pressure of the draft; and some were drafted. Even the final outcome of draft lotteries were seldom truly random. Table 21 shows that most veterans in the NLS sample volunteered for military service; only about a quarter said that they were drafted. It is reasonable to assume that draftees will, on average, look less favorably on the prospect of a second tour of active

Table 20

BRANCH OF PREVIOUS SERVICE
(In thousands)

	White		Black	
Branch	24-29	30-34	24-29	30-34
Army	676	511	108	73
Air Force	262	174	38	(a)
Marines	154	87	31	(a)
Navy	339	260	13	(a)

SOURCE: 1976 National Longitudinal Survey of Young Men.

[a]Based on 10 or fewer cases.

duty than enlistees.[7]

Veterans who viewed their previous military experience positively are more likely than average to consider reenlistment. The NLS asked veterans whether time spent in the military helped or hurt civilian careers. Table 22 presents a cross-tabulation of answers to this question by race and service branch. Over 60 percent of all veterans said military service helped them in civilian careers; less than 15 percent thought that military service actually hurt them. Army veterans view their past military service in about as favorable a light as other veterans, an important finding given their preponderance in the prior service population.

Table 21

HOW VETERANS ENTERED THE MILITARY
(In thousands)

	White		Black	
How Entered	24-29	30-34	24-29	30-34
Enlisted	1059	765	118	62
Drafted	304	140	72	48
OCS, ROTC Academies	63	73	(a)	(a)
Other	(a)	64	(a)	(a)

SOURCE: 1976 National Longitudinal Survey of Young Men.

[a]Based on 10 or fewer cases.

[7] The draft will also have motivated some enlistments, but we have no way in the NLS of distinguishing those enlistments from regular voluntary enlistment.

Table 22

PERCEPTIONS ABOUT THE EFFECT OF MILITARY SERVICE ON CIVILIAN CAREERS
(In thousands)

	Army		Other Services		Total (Percent)[a]	
Effect of Service	24-29	30-34	24-29	30-34	24-29	30-34
White						
Helped career	283	285	503	280	62	63
Hurt career	91	49	101	36	13	9
No effect	184	115	178	135	25	28
Black						
Helped career	54	36	53	(b)	57	61
Hurt career	23	(b)	(b)	(b)	17	17
No effect	27	(b)	20	(b)	25	24

SOURCE: 1976 National Longitudinal Survey of Young Men.

[a]May not add to 100 because of rounding.

[b]Based on 10 or fewer cases.

Veterans with Training

Current DoD regulations penalize veterans who return to other than their previous MOS.[8] If most veterans work in areas related to their military training and occupation, this penalty will not deter prior service accessions; if, however, many veterans take up civilian employment in occupations other than their MOS, a penalty for changing MOS may keep them from reenlisting. As Table 23 shows, few veterans claim that they use training received in the military on civilian jobs, suggesting that a reassessment of current regulations governing a return to other than previous MOS may be in order.

[8] See Sec. II. Veterans who reenter the military through lateral entry options are not subject to this penalty.

Table 23

PERCENT USING MILITARY TRAINING ON CIVILIAN JOB

Military Training Type	White		Black	
	24-29	30-34	24-29	30-34
Professional and technical	16	24	35	(a)
Managerial	17	32	(a)	(a)
Clerical	18	28	(a)	(a)
Skilled manual	26	18	4	15
Military only	22	16	11	(a)

SOURCE: 1976 National Longitudinal Survey of Young Men.

[a]Based on 10 or fewer cases.

METHODS FOR ESTIMATING POTENTIAL PRIOR SERVICE SUPPLY POOLS

By combining information from CPS and NLS files, manpower planners can isolate subgroups of veterans who could meet manpower shortfalls and who appear, on the basis of personal characteristics, to be favorably disposed to a job change, a return to the military, or both. This Note does not provide these calculations because of its preliminary nature and because they require input from manpower planners in the form of desirable veteran characteristics. In lieu of these calculations, this section concludes with a discussion of methods for calculating the size of subgroups of veterans from the CPS and NLS data.

The value of the CPS is its size and detailed information on civilian characteristics; the value of the NLS is its information on military characteristics. Methods for estimating subgroups of potential

prior service accessions should combine the best of both information sources. For example, the CPS can estimate with reasonable accuracy the number of veterans aged 30 to 34 with a high school education in the civilian labor force. Manpower planners may, however, want to know how many high school graduate veterans originally served in the Army for tours of duty of at least three years. The NLS data can provide an estimate of that fraction.[9] The NLS estimate would then be multiplied by the number of CPS high school veterans to arrive at the required population estimates. Similar calculations can be made for each subgroup of civilian and military characteristics of interest to military manpower planners.

A visible and certainly important attribute of military service is its pay. Military pay must be competitive with civilian alternatives if manpower requirements are to be met. The following section takes up this issue for prior service accessions and compares reenlistment pay grades with veteran earnings in civilian occupations.

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[9] The small sample size for the NLS will mean that variances associated with these estimated subgroups will be large relative to variances associated with pure CPS estimates.

V. MILITARY AND CIVILIAN PAY COMPARISONS

The previous section concludes that the armed forces must compete with civilian employers for employed veterans if prior service accessions are to play an expanded role in future manpower procurement efforts. A central consideration in any voluntary job change is salary, and this section compares civilian earnings of veterans with the military compensation veterans would receive if they reenlisted in the active forces.

The CPS provides three digit occupational information, but sample size considerations preclude an occupation-by-occupation comparison at that level of disaggregation. We can, however, learn a good deal about relative civilian and military wage structures by analyzing a subset of civilian occupations that have close military occupational matches. To be interesting, these occupations should represent significant numbers of both civilian employees and military personnel.

Table 24 lists the 16 military and 26 civilian occupations that are the basis for this comparison of military and civilian compensation. These occupations were selected for their technical and skill characteristics and because of their similarity across military and civilian occupational classifications.

Skill levels and training requirements differ among the occupations in Table 24. They are, however, a cross-section of noncombat MOSs and civilian occupations. A more detailed investigation of relative military and civilian earnings would control for skill and training differences, but for this study we will treat the selected occupations

Table 24

OCCUPATIONAL CLASSIFICATIONS FOR EARNINGS COMPARISONS

MOS	CMF	Army Title	Civilian Occ. Title	Census Code
44B	63	Metal worker	Metal welder/welder oper./ arc welder/arc cutter	680
			Forger/forge operator	442
51B	51	Carpenter	Carpenter	415
			Concrete mason/concrete floor installer	421
			Concrete layer/construction worker	751
51R	51	Electrician	Electrician	430
			Elec. lineman & cableman/ elec. installer	433
63G	63	Fuel and Electrical Systems Repairmen	Auto. electrician/mech./ carburetor specialist/ carburetor rebuilder	473
63H	63	Automotive Repairmen		
68G	67	Airframe Repairmen	Sheet metal worker/aircraft machinist	535
			Metal worker	680
71C	71	Stenographer	Stenographer/steno-typist	376
			Secretary	372
71L	71	Administrative Specialist	Admin. clerk/clerical supervisor	312
			Secretary	372
			Clerical office worker	395
73C	71	Finance Specialist	Finance clerk	394
			Bookkeeping clerk	305
			Payroll clerk	360
			Personnel clerk	325

Table 24--continued

MOS	CMF	Army Title	Civilian Occ. Title	Census Code
76D	76	Material Supplyman	Inventory clerk/checker/ stock clerk	381
76P	76	Stock Control Supplyman		
91B	91	Medical Specialist	Nursing aide/first-aide attendant	925
91C	91	Clinical Specialist	Medical technician/health technologist	085
			Nursing assistant	075
			Practical nurse	926
91E	91	Dental Specialist	Dental hygienist	081
94B	94	Food Service Specialist	Cook, cafeteria	912
			Food service worker	916
95B	95	Military police	Policeman	964

SOURCE: Census Bureau Occupation Codes were assigned based on the MOS job description and on the suggested civilian occupation counterpart given in Army Regulation 611-201. Descriptions are given by skill level. This table uses level 2--qualified journeyman status.

as representative of general labor demand in the armed forces.[1] By way of background, and to give some indication of the size of the civilian labor force pool in question, Table 25 reproduces Table 10 for the 26 selected civilian occupations. As the table shows, these 26 occupations employ substantial numbers of veterans.

[1] Future work will provide more precise estimates of veterans' civilian wage distributions, and thus of the overlap between civilian and military wage structures.

Table 25

NUMBERS OF VETERANS--26 OCCUPATIONS
(In thousands)

	Age Group						
Classification[a]	20-23	24-29	30-34	35-39	40-49	50+	Total
Not disabled							
White	70	332	364	272	586	711	2335
Black	14	40	27	32	71	59	243
Other	0	4	8	1	9	7	29
Subtotal[b]	84	377	399	306	666	777	2607
+In Labor Force							
White	62	304	347	254	564	659	2190
Black	11	37	27	29	69	53	237
Other	0	4	6	1	8	7	26
Subtotal[b]	73	346	380	284	642	719	2453
+Not Farm or Self-employed							
White	60	286	300	217	475	562	1900
Black	11	37	25	29	66	53	221
Other	0	4	6	0	4	6	20
Subtotal[b]	72	327	331	246	545	621	2141
+High School Graduate							
White	49	231	264	189	371	354	1458
Black	10	30	21	22	39	20	142
Other	0	4	4	0	4	1	13
Subtotal[b]	59	265	289	211	424	375	1613
Total[b]	288	1315	1399	1047	2277	2492	8814

SOURCE: March 1979 Current Population Survey.

[a]Each major classification is a subgroup of the preceding classification.

[b]May not add because of rounding.

The relative attractiveness of jobs depends on a variety of factors: length of work week, required overtime, required relocation, job-related family separations, extra duties, and so on. The

comparisons given in the following tables ignore all nonearnings aspects of military and civilian jobs and ask what fraction of employed veterans would benefit financially from a return to active duty.[2] Differences in nonearnings aspects of military and civilian employment suggest that fractions given in the tables overstate the proportions of veterans who would find reenlistment an attractive alternative.[3]

DoD regulations penalize veterans who return to active duty if they remain in the civilian labor force for any length of time. Further, this penalty increases not only with length of time since a veteran last served, but also with length of prior military service. Table 26 illustrates the consequences of these regulations for four categories of months of separation and six separation pay grades.

The regular military compensation (RMC)--the military's best guess at the civilian equivalent of military pay[4]--for which prior service accessions are eligible declines rapidly with time in the civilian labor force. Veterans who return to active duty 37 months after separation earn three quarters of what comparable veterans earn who return within 24 months. Because civilian wages rise with age and job experience

[2] For this example, we compare military and civilian earnings at approximately similar ages. A more complete analysis would have to consider life cycle wage profiles in the two sectors.

[3] Military life is generally more restrictive than is civilian life, and the potential for war makes the probability of injury or death on the job higher for military employment than for employment in most civilian jobs. These factors alone would mean that at equal earnings, most individuals would choose civilian employment over military employment.

[4] To arrive at RMC, the military takes cash pay and adds the cash equivalent of compensation received in the form of in-kind transfers (housing, subsidized food prices, etc.). It then adjusts the new figure for differences in the tax treatment of military and civilian compensation to put both on an equivalent pretax basis.

Table 26

REENTRY PAY BY BREAK IN SERVICE AND SEPARATION PAYGRADE

Separation Pay Grade		Months Since Separation 0-24	25-30	31-36	> 36
E-5	2	$10,838	$9,876	$9,216	$8,469
	4	11,489	10,797	9,740	8,469
	6	11,970	11,084	9,740	8,469
E-6	4	12,817	11,489	10,797	9,740
	6	13,151	11,970	11,084	9,740
	8	12,313	12,313	11,084	9,740

until age 40 or later,[5] financial incentives to return to active duty decline steadily as veterans accumulate civilian work experience.

Table 27 shows one consequence of this declining incentive. This table uses CPS wage and salary information for the 26 selected occupations to estimate the fraction of veterans who earned less than certain RMC levels.[6] All high school graduate employees in the civilian labor force--the primary accession pool as defined above--serve as the veteran base for the table.[7] RMC levels are drawn from Table 26.

[5] See Dennis De Tray, Veteran Status and Civilian Earnings, The Rand Corporation, R-1929-ARPA, March 1980, and references therein.

[6] The fractions given in Table 27 should be interpreted with care because they do not control for the service characteristics of veterans. Also, these comparisons are based on annual earnings, not hourly wages. On average, military workers spend longer hours on the job than civilian workers. An hourly wage comparison would therefore strengthen the case being made here.

[7] Excluded groups are the disabled, farmers and other self-employed, and those who are not either employed or looking for work.

Table 27

PERCENT OF VETERANS WITH ANNUAL EARNINGS BELOW SELECTED RMCS[a]

RMC (dollars)	All Vets	Vets Aged: 24-29	30-34	35-39	40-49
8469	20.1	31.6	19.4	15.3	11.7
9740	25.5	42.8	23.3	18.8	17.7
11489	34.6	57.2	32.9	30.0	23.5
11970	36.0	59.5	34.3	31.1	25.5
13151	42.1	63.4	43.8	35.2	32.1

[a]Based on wage and salary earnings of veterans in the 26 civilian occupations listed in Table 24.

To illustrate the nature of information contained in Tables 26 and 27, let us examine financial incentives to reenlist for veterans in two separation pay grades and two break-in-service categories: an E-5 with four years of service and an E-6 with six years of service, and separations of less than two and more than three years. Many veterans who left active duty as an E-5 with four years of service and who has been out of the military for less than two years will fall in the 24 to 29 age group. Veterans in this category can return to active duty at an RMC of $11,489 per year (Table 26). According to Table 27, slightly more than 57 percent of veterans in the 26 selected civilian occupations of veterans between the ages of 24 and 29 earned below this figure. On the surface this comparison seems to suggest that many young veterans would find reenlistment in the active forces financially rewarding even at current (1979) military wage scales, but such a conclusion may not be warranted.

Numerous economic studies show that workers do not base career decisions on one year of earnings in alternative occupations.[8] Rather, they make career decisions based on expected lifetime earnings differentials. Prospective employees want to know not only what they will earn today, but their chances for future advancement and earnings growth. The numbers in Tables 26 and 27 cannot provide lifetime wage profiles directly, but later comparisons in this section suggest what we would learn if such profiles were estimated.

The 57 percent figure should carry a second cautionary note. This percentage says that about one half of young veterans in the 26 selected occupations with 24 or fewer months of separation earn less than their prospective reenlistment pay. But which half? The answer is, obviously, those veterans in the lower half of the civilian wage distribution. Isolating why veterans fall in the lower half of the wage distribution--regional wage differences and schooling and training differences within occupational classifications will all play a role--requires much more analysis, but one potential explanation with important policy implications deserves consideration. If some worker characteristics go unmeasured--for example, ability, drive, and innate productivity--the military may run the risk of selecting a workforce from veterans of below average productivity within each occupational group.

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[8] See Jacob Mincer, Schooling, Experience and Earnings, Columbia University Press for the NBER, New York, 1974, and references therein.

As E-5 veterans with four years of service remain in the civilian sector, the fraction of that group who would gain financially by reenlisting drops substantially. Of those out of the service for three years, fewer than a third would improve their earnings by returning to active duty.

Veterans who left active duty as E-6s face even greater differences in military and civilian pay than do E-5s. Many E-6s with six years of service and less than two years out of service will fall in the 30 to 34 age category. These veterans could, in 1979, return to active duty at an RMC of $13,151. Fewer than half would find it attractive to do so given civilian earnings alternatives. For E-6s with six years of service and more than three years in the civilian sector, less than one quarter would find a return to active duty financially attractive. Veterans with these characteristics will also fall in the 35 to 39 age group. About one third of those with less than a two year service break and less than one fifth of those with more than a three year service break could match or improve earnings by returning to active duty.

The analysis presented in this section must be refined before it can serve as a basis for policy formulation. However, two messages emerge quite clearly even from the simple comparisons given above. First, less than half of all veterans in the 26 selected civilian occupations would gain financially by returning to active duty. For veterans with significant amounts of military and civilian experience, the picture is even bleaker--less than one quarter would earn more by returning to the military than they earn in the civilian sector.

Second, the financial attractiveness of military serve declines as veterans gain experience in the civilian labor force.[9] This decline stems from three factors: (1) the growth in civilian wages with age and civilian labor force experience, (2) the flat lifetime profile for military wages relative to civilian wage profiles, and (3) penalties imposed by the military on veterans who return to active duty.

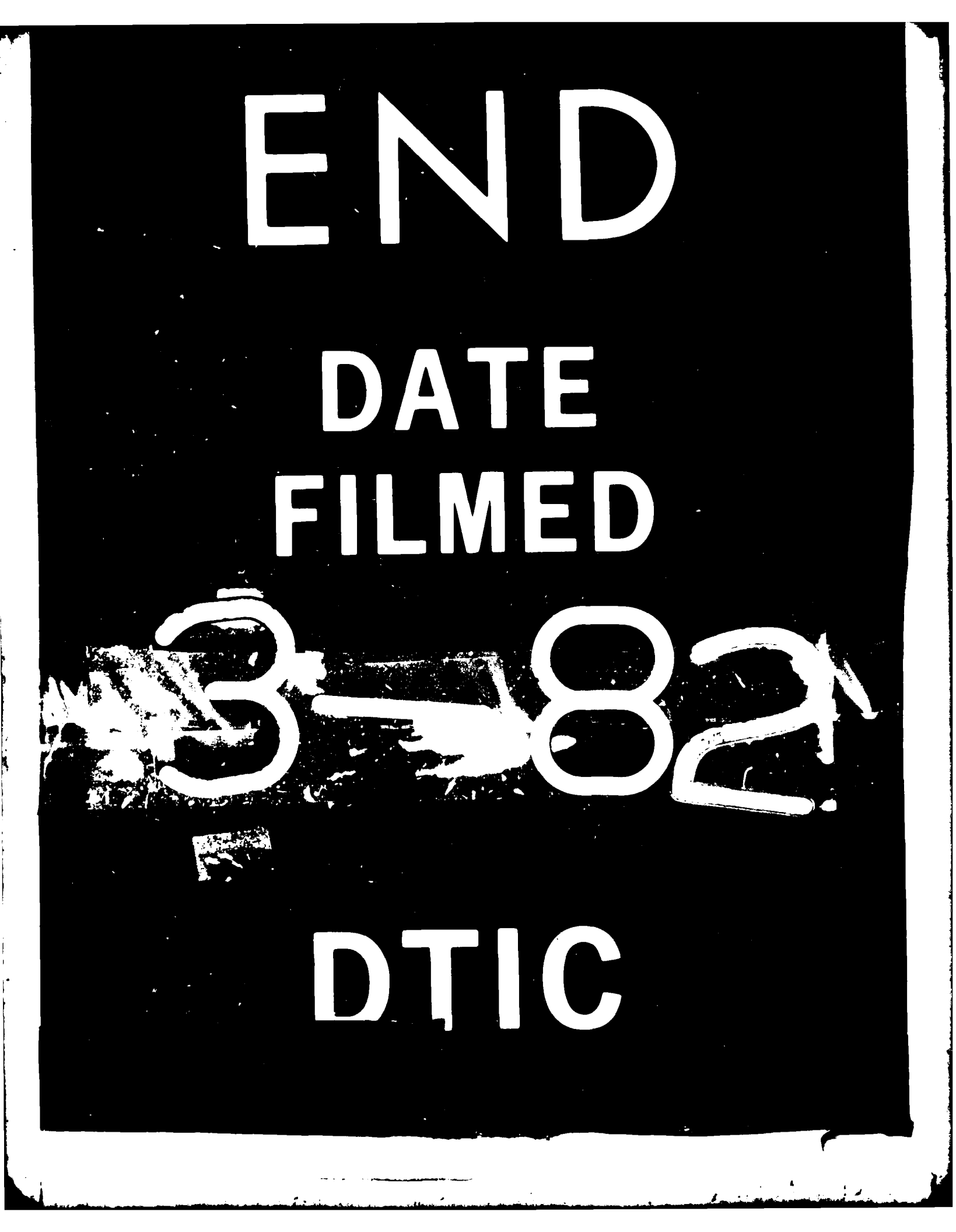
If we bring apparent differences in worker tastes for civilian and military life styles into this analysis, the question shifts from why so few veterans reenlist, to why so many do. Armed forces regulations provide little incentive for veterans who are experienced civilian workers and who are well settled into civilian life to return to active duty. These regulations and the recruiting activity aimed at prior service accessions indicate clearly that military manpower planners do not now actively seek prior service accessions. Whether they ought to is the subject of ongoing research.

[9] The draw of military retirement may be an exception to this statement. However, this draw may not be important for settled veterans because "retirement" at ages 40 or 50 is not likely to be an option.

VI. ONGOING RESEARCH

This Note explains why prior service accessions play such a small role in the military manpower recruitment picture. It does not, however, tell us whether manpower planners should change their efforts to attract such people. The next phase of this project will analyze the cost implications of military staffing through untrained first term enlistees versus trained prior service personnel.

The objective of ongoing work is to estimate the full cost to the services of providing an additional year of trained manpower through either conventional first term enlistment channels or prior service civilians working in relevant specialties. First term enlistment costs will include training outlays and expected loss rates at various stages during and after training; prior service personnel cost estimates will consider civilian opportunity wages for veterans with personal characteristics that suggest they are more likely than the average to reenlist in the armed forces.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